

Drug prices monitored on timely basis, assures govt

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Life Saving drug prices monitored on timely basis, assures govt



The government had said that there is no classification as "life saving drugs/medicines" under Drugs (Prices Control) Order, 1995 (DPCO, 1995). The prices of 74 scheduled bulk drugs and the formulations containing any of these scheduled drugs are controlled under the provisions of the DPCO, 1995. The National Pharmaceutical Pricing Authority (NPPA) fixes or revises prices of scheduled drugs/formulations as per the provisions of the DPCO, 1995. No one is authorized to sell any scheduled drug/formulation at a price higher than the price fixed by NPPA.

As per the Minister of State (Independent Charge) for Chemicals and Fertilizers, Mr Srikant Kumar Jena mentioned in the Parliament on May 6, 2013, "In respect of drugs not covered under the DPCO, 1995 i.e. non- scheduled drugs, manufacturers fix the prices without seeking the approval of government or NPPA. However, as a part of price-monitoring activity, NPPA regularly examines the movement in prices of non-scheduled formulations. Wherever a price increase beyond 10 percent per annum on moving basis is noticed, subject to prescribed conditions, action is initiated under paragraph 10(b) of the DPCO, 1995 for fixing the price of the formulation in public interest."

"The NPPA monitors the prices of all formulations including imported scheduled formulations that are under price control. To ensure that companies adhere to the price fixed by NPPA, the state drug controllers are sensitized and asked to forward the cases relating to non-compliance of the notified price. As a part of continuous market surveillance, NPPA also procures samples of various scheduled formulations to check the compliance of the notified ceiling price by the companies," added the Minister.

NPPA fixes or revises prices of domestic scheduled formulations as per formula contained in para 7 of the DPCO, 1995 which provides for 100 percent Maximum Post Manufacturing Expenses (MAPE) to cover all costs incurred by the manufacturer from the stage of ex-factory cost to retailing and includes trade margin and margin to the manufacturer. The prices of imported scheduled formulations are fixed/revised as per proviso to para 7 of the DPCO, 1995 which provides for a maximum margin of 50 percent on the landed cost to cover selling and distribution expenses including interest and importer's profit.